AGRICULTURAL AND PROCESSED FOOD PRODUCTS EXPORT DEVELOPMENT AUTHORITY OF INDIA (APEDA) & ORS

v.

SYARIKAT FAIZA SDN BHD

HIGH COURT MALAYA, KUALA LUMPUR
AZAHAR MOHAMED J
[NOTICE OF MOTION NO: D-25IP-1-2010]
8 NOVEMBER 2010

TRADE MARKS: *Registered trade mark - Expungement - Application for - Whether applicants persons aggrieved - Whether the word 'PONNI' an invented word - Whether 'PONNI' directly descriptive of a particular variety of rice - Whether qualified for registration under s. 10(1)(d) Trade Marks Act 1976 - Whether use of PONNI likely to cause confusion - Entry of PONNI trade mark in register - Whether wrongfully made and wrongfully remaining - Trade Marks Act 1976, ss. 10(1)(c), (1)(e), (2A), 45(1)(a)*

Syarikat Faiza Sdn Bhd ('the respondent'), a Malaysian company trading, distributing and supplying rice in Malaysia, filed an application for the registration of the name "PONNI" as a trade mark (the 'PONNI trade mark') in relation to 'rice' under Class 30 of the NICE International Classification of Goods at the Trade Registry. The respondent's application was allotted Trade Mark No.00007172 and was subsequently entered in the Trade Marks Register on 20 January 2006. The respondent had been using the PONNI trade mark in its brand of rice under the name and style of "BERAS TAJ MAHAL BERAS FAIZA HERBA PONNI". By this notice of motion, the applicants sought, *inter alia*, an order that the Trade Mark No. 00007172 for the mark 'PONNI' in the name of the respondent be expunged and removed from the Register of Trade Marks Malaysia. The applicants' application was premised on the ground that the PONNI Trade mark was an entry made on the Register without sufficient cause and/or an entry wrongfully remaining in the Register. According to the appellants, Ponni rice was named after and in tribute to the Kaveri Delta region in India where the particular variety of rice is grown. PONNI is a specially processed rice variety that had been tested and proven to have a low glycaemic index which was good for the

A management and control of diabetics and blood cholesterol. PONNI rice had been extensively and continuously cultivated, distributed, marketed, promoted and sold in India and worldwide since the first PONNI variety was released by the second applicant for cultivation in 1971. In Malaysia, several entities were
B licensed by BERNAS, the rice importing agency appointed by the Government of Malaysia, as distributors of imported PONNI rice. PONNI rice had also been imported into Malaysia since the 1990's and has become the preferable choice of rice to most Malaysians. The issues that arose were (a) whether the applicants were
C persons aggrieved and had the *locus standi* under s. 45(1)(a) of the Trade Marks Act 1976 ('the Act') to take out the present action: (b) whether the word PONNI was an invented word according to the meaning of s. 10(1)(c) of the Act; (c) whether the name PONNI qualified for registration under s. 10(1)(d) of the Act; (d)
D whether the use of the word PONNI was likely to deceive or cause confusion.

Held (allowing the applicants notice of motion):

E **(1)** Applying the principles in *McLaren International Ltd v. Lim Yat Meen*, the applicants were persons aggrieved and had the *locus standi* under s. 45(1)(a) of the Act to take out the present action. The registration of the PONNI trade mark was blocking the use of the name and mark PONNI by others who
F have trading interests in the Ponni rice. The applicants' interests were and could further be negatively affected by the exclusive claim by the respondent over the PONNI trade mark. The first applicant was tasked with the development of the Indian rice industry and promotion of rice grown in India.
G Trade Mark No 00007172 grants exclusive rights to the respondent for the use of the PONNI as a trade mark and could and would affect the ability of the first applicant to develop and promote Indian rice industry in Malaysia and elsewhere. The second applicant was responsible for
H developing the PONNI rice variety, and was the author of the PONNI mark. The third, fourth and fifth applicants were all stakeholders in the PONNI mark, and the exclusive rights granted to the respondent for the use of PONNI as a trade mark in Malaysia could and would affect their liability to
I distribute or trade in PONNI rice in Malaysia and elsewhere. (para 11)

(2) The respondent's application for the registration of the PONNI trade mark was filed on 6 June 2000. Evidently, the Ponni rice was available for sale and consumption in India, Malaysia and many countries around the world prior to the said date. For that reason, as Ponni had a meaning as at 6 June 2000, namely as the name of a variety of rice originating from Southern India, and convey a particular idea, Ponni was therefore not an invented word as at 6 June 2000 (*Bata Ltd v Sim Ah Ba & Ors*). Hence, the word PONNI was not an invented word according to the meaning of s. 10(1)(c) of the Act. (para 15)

(3) 'PONNI was directly descriptive of a particular variety of rice originating from the Tamil Nadu Region in Southern India. The word PONNI does not qualify for registration under s. 10(1)(d), as such registration would prevent others from legitimately using PONNI as a descriptor for a particular variety of rice originating from the Tamil Nadu region. PONNI had become established as a varietals name for rice and could not have been distinctively solely for the respondent's goods. It therefore followed that PONNI was not a distinctive mark for rice according to the meaning of s. 10(1)(e) read with s. 10(2A) of the Act. The respondent was also not entitled to rely on s. 10(1)(e) to gain registration of the PONNI trade mark. (paras 16 & 17)

(4) The use of the mark PONNI by the respondent as a trade mark or badge of origin for rice in general was bound or likely to cause confusion if the mark 'PONNI' was applied to other varieties of rice. Consumers would be misled into buying rice which was not in fact the Ponni variety of rice originating from the region where Ponni rice originated. Therefore, the registration and use of PONNI as a trade mark was bound to cause confusion. There was a real tangible confusion if the mark PONNI remained in the register. Thus, the entry of PONNI trade mark under Trade Mark No. 00007172 in the register of Trade Mark Malaysia was an entry wrongfully made and wrongfully remaining in the Register. (paras 25 & 26)

Case(s) referred to:

Bali Trade Mark [1969] RPC 472 ***(refd)***

Bata Ltd v. Sim Ah Ba & Ors [2006] 3 CLJ 393 CA ***(refd)***

Eastman Photographic Materials Co Ltd's v. Comptroller-General of Patents [1898] AC 571 ***(refd)***

McLaren International Ltd v. Lim Yat Meen [2009] 4 CLJ 749 FC ***(refd)***
Philippart v. Williams Whitely Ltd [1908] 25 RPC 565 ***(refd)***
Smith Hayden & Co Ltd's Application [1946] 63 RPC 97 ***(refd)***
Sunrise Sdn Bhd v. First Profile (M) Sdn Bhd & Anor [1997] 1 CLJ 529 FC ***(refd)***
Walton International Ltd v. Yong Teng Hing; Pendaftar Cap Dagangan, Malaysia (Interested Party) [2010] 8 CLJ 802 CA ***(refd)***

Legislation referred to:
Trade Marks Act 1976, ss. 10(1)(a), (b), (c), (d), (e), (2A), 14(1)(a), 45(1)(a)

Trade Marks Act 1983 [UK], s. 11

For the applicants - Karen Abraham (LY Chew & Rajasekaran with him); M/s Shearn Delamore & Co
For the respondent - S Adrian (A Devi & Rashidah with him); M/s Jasbeer, Nur & Lee

Reported by Suhainah Wahiduddin

JUDGMENT

Azahar Mohamed J:

[1] The Agricultural and Processed Food Products Export Development Authority of India (APEDA) (the 1st applicant) is a statutory authority under the Government of India which is engaged in the development and promotions of exports of certain agricultural and processed food products from India, including, a variety of rice known as Ponni rice.

[2] Tamil Nadu Agricultural University (the 2nd applicant) is an agricultural university in India based in Coimbatore in the State of Tamil Nadu, India.

[3] Balasubramaniam and Palanysamy (the 3rd applicant) are farmers and cultivators of Ponni rice in Tamil Nadu in India.

[4] Visnukumar Traders Pvt Ltd and KK Imports and Exports (Indian Exporters) are rice exporters based in Chennai in the State of Tamil Nadu in India (the 4th and 5th applicants).

[5] Syarikat Faiza Sdn Bhd (the respondent) is a Malaysian company which trades in, distributes and supply rice in Malaysia.

[6] On 6 June 2000, the respondent filed an application for the registration of the name "PONNI" as a trade mark (the "PONNI" trade mark) in relation to 'rice' under class 30 of the NICE International Classification of Goods at the Trade Registry. The respondent's application was allotted trade mark No: 00007172 and was subsequently entered in the trade marks register on 20 January 2006. The respondent has been using the PONNI trade mark in its brand of rice under the name and style of "BERAS TAJ MAHAL BERAS FAIZA HERBA PONNI".

The Applicants' Notice Of Motion

[7] By this notice of motion, the applicants are seeking, *inter alia*, the following prayers against the respondent:

1. An order that the trademark registration No: 00007172 for the mark "PONNI" in the name of the respondent be expunged and removed from the register of trademarks, Malaysia;

2. In the event prayer 1 is granted, an order directing the Registrar of Trade Marks, Malaysia to rectify the Malaysian register of trade marks by removing there from the whole entry relating to trade mark registration No: 00007172 and cause such fact of rectification and removal to be published in the government gazette forthwith after the order is served on the Registrar of Trade Marks, Malaysia.

[8] The applicants' application is premised on the ground the PONNI trade mark is an entry made on the register without sufficient cause and/or an entry wrongfully remaining in the register. In this regard, s. 45(1) of the Trade Marks Act 1976 (the Act) provides:

> Subject to the provisions of this Act, the court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the register of any entry or by any entry made in the register without sufficient cause or by any entry wrongfully remaining in the register, or by any error or defect in any entry in the register, make such order for making, expunging or varying such entry as if thinks fit.

[9] Another relevant provision is s. 10(1) of the Act, which provides the basis for registration of a trade mark as follows:

> In order for a trade mark (other than a certification trade mark) to be registrable, it shall contain or consist of at least one of the following particulars:

A (a) The name of an individual, company or firm represented in a special or particular manner;

(b) The signature of the applicant for registration or of some predecessor in his business;

B (c) An invented word or words;

(d) A word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname; or

C (e) Any other distinctive mark.

The Background Facts

[10] Based on the numerous affidavits filed by the parties, in my view, the following facts have been established. Ponni literally D means "Golden" in Tamil and is another name given to the Kaveri River (also known as Cauvery River) in the Southern Indian Peninsula. Ponni rice was named after and in tribute to the Kaveri Delta region in India where the particular variety of rice is grown. Under a *japonica-indica* hybridisation project under the International E Rice Commission (1950) launched by the Food and Agricultural Organization for the whole of the Asian Region at the Central Rice Research Institute, Cuttack ("CRRI"), local rice varieties from Asian countries participating in the project were cross bred with *japonica* varieties introduced from Japan and grown at CRRI. A F parallel scheme was launched by the Indian Council of Agricultural Research, Hyderabad ("ICAR"), for the Indian States whereby breeders from the Indian States participated in the *japonica-indica* hybridisation project. As a result of this project, a new variety of rice emerged. The new variety of rice was named PONNI by the G 2nd applicant after and in tribute to the Cauvery, also known as Ponni, river in 1971 when it was released for cultivation after being evaluated and test-verified. Both Ponni and the Improved White Ponni (a spontaneous mutant variety which was derived from Ponni after further research and evaluation by the 2nd H applicant) have been notified under the Indian Seeds Act, 1966 in the years 1975 and 1989 respectively. Ponni and its related variants, namely, Improved White PONNI and Athisaya PONNI (which were also derived from PONNI after further research and evaluation by the 2nd applicant) are cultivated exclusively in the I Tamil Nadu region in Southern India. The latter was released by the 2nd applicant for cultivation in Tamil Nadu in 1998. The

region where PONNI rice is cultivated and grown is the Kaveri, also referred to as Ponni, Delta Region, ie, the region where the Kaveri River flows. PONNI rice has been extensively and continuously cultivated, distributed, marketed, promoted and sold in India and worldwide since the first PONNI variety was released by the 2nd applicant for cultivation in 1971. The volume of PONNI rice exported worldwide till the year 2008 was approximately 50,000 tonnes per year, primarily to Malaysia, Singapore, Hong Kong, UAE, Kuwait, Saudi Arabia, the US, Canada, Japan, UK, Germany, France, Australia, New Zealand and South Africa. PONNI rice has been imported into Malaysia since at least the 1990's. PONNI rice was previously imported into Malaysia by BERNAS, the rice importing agency appointed by the Government of Malaysia. BERNAS recognises the unique characteristics of PONNI and has been importing substantial volumes of PONNI rice into Malaysia. In a letter dated 18 August 2008 from the Minister of Agriculture and Agro-based Industry of Malaysia (MOA) to the Indian Minister of Commerce and Industries, the MOA acknowledge that PONNI rice has been imported into Malaysia since at least the year 1997 and requested for further importation of PONNI rice into Malaysia. The letter also admits that PONNI is a specially processed rice variety that has been tested and proven to have a low glycemic index which is good for the management and control of diabetics and blood cholesterol. This specialty rice is recommended to diabetic patients and it has become a preferable choice of rice to most Malaysians. PONNI rice is known among the Indian Tamils in Malaysia, as well as other consumers, as a variety of rice originating from the Tamil Nadu region in Southern India. In Malaysia, several entities were licensed by BERNAS as distributors of imported PONNI rice, among them being:

(i) Dagang Mewah Sdn Bhd of 19, Batu 4, Jalan Gombak, 53000 Kuala Lumpur;

(ii) Mohd Meera Sahib (M) Sdn Bhd of 116, Penang Street, 10200 Pulau Pinang;

(iii) Modern Store (M) Sdn Bhd of 233, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur;

(iv) Chitra Spice Mart (M) Sdn Bhd of 23G, Jalan Thamby Dollah, Off Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur; and

A (v) Pemborong & Peruncit Sabirah of 88, Main Road, Batu Gajah, 31000 Perak.

The Applicants Are Persons Aggrieved

B **[11]** The first question to pose would be this: whether the applicants are persons aggrieved and have the *locus standi* under s. 45(1)(a) of the Act to take out the present action. First of all, I will quote the relevant provision that is relevant to the current discussion. Section 45(1)(a) of the Act in particular provides that
C the court may order the expunction of a registered trade mark if such an application was made by any person aggrieved by the non-insertion in or omission from the register of any entry or by any entry made in the register without sufficient cause or by any entry wrongfully remaining in the register, or by any error or
D defect in any entry in the register, make such order for making, expunging or varying such entry as it thinks fit. In this regard, the judgment of the Federal Court case in *McLaren International Ltd v. Lim Yat Meen* [2009] 4 CLJ 749, represents the law on this subject as we apply today. In my judgment, based on the affidavit
E evidence before this court and applying the principles in McLaren case, the applicants are persons aggrieved and have the *locus standi* under s. 45(1)(a) of the Act to take out the present action. My reasons briefly are as follows. The registration of the PONNI trade mark is blocking the use of the name and mark Ponni by others
F who have trading interests in Ponni rice. The applicants' interests are and could further be negatively affected by the exclusive claim by the respondent over the PONNI trade mark. The 1st applicant is tasked with, among others, the development of the Indian rice industry and promotion of rice grown in India. Trade mark
G registration No: 00007172 grants exclusive rights to the respondent to the use of the PONNI as a trade mark and could and would affect the ability of the 1st applicant to develop and promote the Indian rice industry in Malaysia and elsewhere. The 2nd applicant is responsible for developing the PONNI rice variety
H and is the author of the PONNI mark and the 3rd, 4th and 5th applicants are all stakeholders in the PONNI mark, and the exclusive rights granted to the respondent for the use of PONNI as a trade mark in Malaysia could and would affect their ability to distribute and/or otherwise trade in PONNI rice in Malaysia and
I elsewhere. Hence, in my judgment, singly and collectively the applicants are persons aggrieved within the meaning of s. 45 of the Act.

[12] I do not feel that further elaboration on this issue is necessary considering the fact that the respondent did not specifically in any of its affidavits plead that the applicants are not persons aggrieved within the meaning of that provision. In his way, the respondent is deemed to have accepted that the applicants are persons aggrieved (see: *Sunrise Sdn Bhd v. First Profile (M) Sdn Bhd & Anor* [1997] 1 CLJ 529.

Section 10 Of The Act

[13] Now, s. 10 of the Act lays down the requirement in order for a trade mark to be registrable. The provisions of s. 10 are to be read disjunctively, and the satisfaction of any of the requirements under the provisions may qualify a mark for trade mark registration, subject to the other provisions in the Act.

[14] I do not think it can be disputed that the word PONNI is not the name and the signature of the respondent within the meanings of s. 10(1)(a) and (b) of the Act.

[15] Based on the affidavits evidence, it has been established that Ponni rice was released for cultivation in 1970's and introduced into the Malaysian market since at least in the year 1997. As stated earlier, the respondent's application for the registration of the PONNI trade mark was filed on 6 June 2000. Evidently, Ponni rice was available for sale and consumption in India, Malaysia and in many countries around the world prior to 6 June 2000. For that reason, as Ponni had a meaning as at 6 June 2000, namely as the name of a variety of rice originating from Southern India, and convey a particular idea, Ponni is therefore not an invented word as at 6 June 2000 according to the definition of "invented word" case law (see: *Eastman Photographic Materials Co Ltd's v. Comptroller-General of Patents* [1898] AC 571, *Philippart v. Williams Whitely Ltd* [1908] 25 RPC 565 and *Bata Ltd v. Sim Ah Ba & Ors* [2006] 3 CLJ 393). Hence, I conclude by saying that the word PONNI is not an invented word according to the meaning of s. 10(1)(c) of the Act.

[16] This brings me to the important issue whether the word PONNI has direct reference to the character and quality of a variety of rice. It is to be noted that s. 10(1)(d) of the Act allows names which are not descriptive of the relevant goods to be registered as trade mark. In *Eastman Photographic Materials Co Ltd*'s, the court considered the qualification that a trade mark must

not have direct reference to the character and quality of the goods in question. In this regard, I have read in detail the affidavits and exhibits filed by both parties. I have also considered the consumer and trade survey commissioned by the applicants to determine the extent of consumer and trade recognition of name "Ponni" in relation to rice. Having considered these affidavits carefully, I conclude that 'PONNI' is directly descriptive of a particular variety of rice originating from the Tamil Nadu Region in Southern India. The word PONNI does not qualify for registration under s. 10(1)(d), as such registration would prevent others from legitimately using PONNI as a descriptor for a particular variety of rice originating from the Tamil Nadu region. In my view, the word PONNI, as on 6 June 2000, had become known in the trade and consumers, as the name of a variety of rice from Tamil Nadu. PONNI has become established as a varietals name for rice and could not have been distinctive solely of the respondent's goods as on 6 June 2000. I therefore conclude by saying that the name PONNI does not qualify for registration under s. 10(1)(d) of the Act.

[17] It therefore follows, PONNI is not distinctive as a mark for rice according to the meaning of s. 10(1)(e) read with s. 10(2A) of the Act. I have already expressed my view that PONNI is not an invented name and that it is a descriptor of a particular variety of rice. Therefore the respondent is also not entitled to rely on s. 10(1)(e) to gain registration of the PONNI trade mark.

Section 14 Of The Act

[18] So far I have dealt with the issues that none of the qualifying criteria for registration under s. 10 of the Act has been satisfied.

[19] From this point, I move on to consider the contention of learned counsel for the applicants to the effect that the registration of PONNI as a trade mark is prohibited by s. 14(1) of the Act on the ground that the use of the said word is likely to deceive or cause confusion. That section specifies express prohibitions which would lead to an absolute bar to registration of a mark or part of the mark. Section 14(1)(a) of the Act provides that:

> A mark or part of a mark shall not be registered as a trade mark if the use of which is likely to deceive or cause confusion to the public or would be contrary to law.

[20] In the recent Court of Appeal case of *Walton International Ltd v. Yong Teng Hing; Pendaftar Cap Dagangan, Malaysia (Interested Party)* [2010] 8 CLJ 802; (Civil Appeal No: W-02-685-2008) [TAB-19 RBA], Ramly Ali JCA laid out the prohibition against registration under s. 14(1)(a) in para. 17 of his Lordship's written judgment as follows:

> ... The wording of the provisions shows that the prohibition for registration under s. 14(1)(a) may fall under any of the three elements namely:
>
> (a) The use of it is likely to deceive;
>
> (b) The use of it is likely to cause confusion to thepublic; or
>
> (c) The use of it would be contrary to law.

[21] In deciding if the use of the PONNI mark will likely deceive or cause confusion, the following test laid down in S*mith Hayden & Co Ltd's Application* [1946] 63 RPC 97 at 101 and restated in *Bali Trade Mark* [1969] RPC 472 provides guideline. In that case, the applicant applied to register "Ovax". The opponent, who was the registered proprietor of the marks "Hovis" and "Ovi" objected. The court considered s. 11 of the UK Trade Marks Act 1983 and said:

> Having regard to the reputation acquired by the name "Hovis", is the court satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the proposed registration, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?

[22] Section 11 of the UK Trade Marks Act 1938, was in *pari materia* with s. 14(1)(a) the Act. Thus, the decision and the above test in *Smith Hayden* can be of guidance in Malaysia. In *Bali Trade Mark* it was held that the court has to be satisfied that there is a real tangible danger of confusion if the mark which is sought to register is put on the register.

[23] Applying the test to the case at hand, the question to be asked is whether Ponni if used in a fair and manner as a trade mark by the respondent in the course of trade of rice, would the public be likely to be confused and deceived into thinking that the Ponni label used by the respondent is merely used as a description of the variety of rice?

[24] Now, a claim for the rice under the registration TM 0007172 would mean that the respondent can use the mark PONNI on any variant of rice be it from any country, including rice grown in Malaysia, Thailand or Indonesia. This would mean that the registration of PONNI trade mark if allowed to remain and not cancelled would effectively permit the respondent:

(a) monopoly over the name Ponni in Malaysia, in respect of rice;

(b) to use the name Ponni on any variety of rice; and

(c) to use the name Ponni on any variety of rice from any country.

[25] As I have stated earlier, Ponni is recognisable in the trade and amongst consumers as the name of a variety of rice from the Tamil Nadu region. This point has already been made earlier but deserved to be repeated here. The PONNI trade mark is for rice generally and there is no limitation as to how the respondent used the name PONNI under the registration. The use of the mark PONNI by the respondent as a trade mark or badge of origin for rice in general is bound or likely to cause confusion if the mark 'PONNI' is applied to other varieties of rice. Consumers would be misled into buying rice which is not in fact the Ponni variety of rice originating from the region where Ponni rice originated. In this way, therefore, the registration and use of PONNI as a trade mark is bound to cause confusion. In my view, there is a real tangible confusion if the mark PONNI remains in the register.

Conclusion

[26] Therefore, to sum it up, based on all the previous mentioned reasons, on the whole, I conclude that the entry of PONNI trade mark under trade mark registration No: 00007172 in the Register of Trade Mark, Malaysia is an entry wrongfully made and wrongfully remaining in the register. Hence, I allow the applicants' notice of motion with cost.